

## Message Text

CONFIDENTIAL

PAGE 01 CARACA 03479 122208Z  
ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 DOE-15 H-01 INR-10 INT-05 L-03  
NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07 SP-02  
SS-15 STR-07 TRSE-00 ACDA-12 /126 W  
-----108361 131042Z /17

R 122103Z APR 78  
FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC 1931  
INFO AMEMBASSY KINGSTON

C O N F I D E N T I A L CARACAS 3479

E.O. 11652 GDS  
TAGS: ENRG EFIN VE JM  
SUBJECT: EXXON CONCERN ABOUT JAMAICA

REF: (A) CARACAS 2656 (B) KINGSTON 2642

1. EMBASSY HAS BEEN ADVISED BY EXXON VP STRICKLAND THAT EXXON HAS OFFERED TO CONVERT FULL AMOUNT ALREADY OWED EXXON BY JAMAICA FOR PAST OIL SHIPMENTS INTO A LOAN AT A FAVORABLE INTEREST RATE OF ONE TO TWO PERCENT ABOVE LIBOR. AT THE SAME TIME, HOWEVER, THE GOJ WAS TOLD THAT FUTURE SHIPMENTS BY EXXON WOULD BE MADE ONLY ON THE BASIS OF CURRENT PAYMENT. HE SAID JAMAICA AGREED TO THE LOAN OFFER AND WAS SUPPOSED TO SIGN AN AGREEMENT TO THIS EFFECT THIS WEEK. EXXON ALSO ATTEMPTED TO OBTAIN AGREEMENT TO THE SPECIFIC TERMS BY WHICH ITS ACCOUNT WOULD BE KEPT CURRENT, BUT THE GOJ WAS UNWILLING TO GO THIS FAR. NEVERTHELESS, STRICKLAND SAID THE GOJ HAS NOW GOTTEN THE MESSAGE THAT ITS CREDIT WITH EXXON HAS NOW RUN OUT, AND HE COMMENTED THAT THE TEST WOULD COME IN A FEW WEEKS WHEN PAYMENT WOULD BE DUE FOR CURRENT SHIPMENTS.

2. STRICKLAND ALSO SAID THAT EXXON HAD ADVISED THE GOJ THAT IN VIEW OF JAMAICA'S SHORTAGE OF FOREIGN EXCHANGE, EXXON  
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WOULD WAIVE THE REQUIREMENT THAT IT SUPPLY THE CRUDE OIL FOR THE LOCAL REFINERY IF JAMAICA COULD FIND AN ALTERNATIVE SUPPLIER WILLING TO OFFER BETTER TERMS AND ABLE TO PROVIDE OIL OF SUITABLE QUALITY. HE CONFIDED, HOWEVER, THAT GIVEN THE SPECIAL CHARACTERISTICS OF THE OIL NEEDED TO SUPPLY THE REFINERY AND THE DELIVERY TIMES INVOLVED, VENEZUELA WAS PROBABLY THE ONLY AVAILABLE SUPPLIER.

3. STRICKLAND ALSO TOLD US HE HAD HEARD FROM EXXON'S REP IN JAMAICA OF THE POSSIBILITY OF A VENEZUELAN LOAN. HE DID NOT MENTION A POSSIBLE U.S. LOAN, AND AS WE HAD NOT RECEIVED REF B AT THE TIME, WE DID NOT COMMENT.

VAKY

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, LOAN AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 apr 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978CARACA03479  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** ONLY  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** ONLY  
**Reference:** 78 CARACAS 2656, 78 KINGSTON 2642  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2997854  
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**Subject:** EXXON CONCERN ABOUT JAMAICA  
**TAGS:** ENRG, EFIN, VE, JM, EXXON  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014